

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 502

October 26, 1995, 4:07 p.m.  
Page S-15779 Temp. Record

## BALANCED BUDGET RECONCILIATION/Higher Medicaid Spending

**SUBJECT:** Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Domenici motion to table the Graham motion to commit the bill to the Committee on Finance with instructions.

### ACTION: MOTION TO TABLE AGREED TO, 51-48

**SYNOPSIS:** As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

**The Graham motion to commit** the bill to the Finance Committee would instruct the committee to report the bill back within 3 session days with instructions not to slow the rate of increase in spending in Medicaid by more than \$62 billion over the next 7 years (the amendment would increase spending by \$125 billion over 7 years). The Committee would be directed to achieve the Medicaid savings through implementation of a Medicaid per capita cap with continued coverage protections and quality assurance provisions for low-income children, pregnant women, disabled, and elderly Americans instead of through a block grant. In effect, the Graham amendment would cut the projected rate of increase in Medicaid spending by 1 percent, and would continue to provide Medicaid as an individual entitlement. Finally, the committee would be instructed to reduce revenue reductions "for upper income taxpayers" by the amount necessary to ensure deficit neutrality.

Debate on a debatable motion to a reconciliation bill is limited to 1 hour. Following debate, Senator Domenici moved to table the Graham motion. Generally, those favoring the motion to table opposed the motion to commit; those opposing the motion to table favored the motion to commit.

**Those favoring** the motion to table contended:

Our colleagues' 1 percent solution is no solution at all. Medicaid is growing at an unsustainable rate. Our colleagues on the left side of the aisle may be too timid or too blinded by their oh-so-sincere convictions to face reality, but we are not. The Medicaid

(See other side)

YEAS (51)			NAYS (48)			NOT VOTING (0)	
Republicans (51 or 96%)	Democrats (0 or 0%)		Republicans (2 or 4%)	Democrats (46 or 100%)		Republicans (0)	Democrats (0)
Abraham	Helms		Cohen	Akaka	Inouye		
Ashcroft	Hutchison		Specter	Baucus	Johnston		
Bennett	Inhofe			Biden	Kennedy		
Bond	Jeffords			Bingaman	Kerrey		
Brown	Kassebaum			Boxer	Kerry		
Burns	Kempthorne			Bradley	Kohl		
Campbell	Kyl			Breaux	Lautenberg		
Chafee	Lott			Bryan	Leahy		
Coats	Lugar			Bumpers	Levin		
Cochran	Mack			Byrd	Lieberman		
Coverdell	McCain			Conrad	Mikulski		
Craig	McConnell			Daschle	Moseley-Braun		
D'Amato	Murkowski			Dodd	Moynihan		
DeWine	Nickles			Dorgan	Murray		
Dole	Pressler			Exon	Nunn		
Domenici	Roth			Feingold	Pell		
Faircloth	Santorum			Feinstein	Pryor		
Frist	Shelby			Ford	Reid		
Gorton	Simpson			Glenn	Robb		
Gramm	Smith			Graham	Rockefeller		
Grams	Snowe			Harkin	Sarbanes		
Grassley	Stevens			Heflin	Simon		
Gregg	Thomas			Hollings	Wellstone		
Hatch	Thompson						
Hatfield	Thurmond						
	Warner						

#### EXPLANATION OF ABSENCE:

1—Official Business  
2—Necessarily Absent  
3—Illness  
4—Other

#### SYMBOLS:

AY—Announced Yea  
AN—Announced Nay  
PY—Paired Yea  
PN—Paired Nay

Program is one of the main causes of our country's budgetary problems. If we pursue the type of cowardly solutions that are proposed by the Graham amendment the United States will soon be bankrupt. We wonder where our colleagues' sanctimonious platitudes will be then, when no one will receive any Medicaid.

The core of the Republican proposal is to remove administrative costs from Federal regulations by providing Medicaid as a block grant to the States. This proposal will work for two basic reasons. First, it will result in different States trying different solutions, and they will learn from each other on what works best. Right now, all States (unless they have successfully grovelled for limited waivers) are forced to follow the same mindlessly complex Federal Government regulations. We tend to look at this as a free-market solution to a centralized planning failure; our colleagues to the left, who may be more comfortable with a different type of rhetoric, are free to describe it as breaking up a monopoly.

The second basic reason our Democratic colleagues may find more discomfiting, because it moves them from the comfortable world of their theories to what is for them the strange new world of facts. The fact is that some States have been able to get limited waivers from Federal Medicaid requirements to design their own programs, and they have had impressive results. Missouri, for example, has received some authority to provide Medicaid through Health Maintenance Organizations (HMOs). By next year, it expects to have half of its recipients in managed care programs. Recipients get to select their own plans, and if they do not like them, they are free to switch to new plans. Interestingly, though, 99 percent have never switched to a new provider. Some people of course switch providers due to convenience when they move, so this 99 percent satisfaction rate is actually even higher. The current Governor of Missouri, who is a Democrat, has said that being able to innovate in this manner without going through reams of red tape has been so beneficial that he estimates that if the program were entirely block-granted he could increase the number of people served by 50 percent with the same amount of money. Our dear Democratic colleagues should keep in mind that this bill will only bring down the rate of growth in Medicaid from its current 10.5 percent to 5 percent. In 7 years, we will be spending 40 percent more on this welfare program than we are currently spending. With the same amount of money, the Democratic Governor of Missouri tells us he could take care of 300,000 more people if he had block-grant authority. We are not giving him the same amount of money--we are giving him 40 percent more. Only a Democrat can look at a plan to cut Federal bureaucracy and weep, and only a Democrat can call a 40 percent increase in Federal spending a draconian cut.

Missouri is not the only State that has had success when the shackles of Federal Medicaid regulations have been lessened. Tennessee, for instance, has also had a program that has been successful in increasing services and decreasing costs. In 1993, when it received its waiver from the Federal Government, it was able to increase coverage of needy citizens, improve the quality of the care given by objective measures, and decrease the rate of growth in the program's cost. To date only 6 States have been granted limited rights to experiment. Their successes, though, have Governors throughout the country, both Republican and Democrat, begging the Federal Government to turn this program into a block grant program.

The Governors are pleased that this Republican plan will not let Medicaid continue at its current growth rate--that rate entails expenses for them as well. States now spend 20 percent of their budgets on Medicaid. They have little choice on the matter; they are not about to abandon the program, but they must run it according to the thousands of Federal regulations that have accumulated over the last 30 years. States are truly in a bind--they have been increasing taxes over and over for the program, but they know that this option will not work for long because no tax base in the world can sustain this type of growth. Unlike the Federal Government, most States must live under balanced budget requirements. Also, despite Democratic Senators' dark predictions that this block grant option will release the evil impulses lurking in the hearts of State legislators who can barely wait to watch needy children and elderly people sicken and die, we have no doubt that State legislators are determined to provide for their citizens. Many if not most Members have served in State Government at one time in their careers; we ask those Members to think back to those days, and to ask themselves if they were quite the cads they now think infest State legislatures. Of course, we know that no argument will convince certain Senators that only the Federal Government is interested in helping needy citizens, so we have included in this bill a requirement that States continue to spend at least 85 percent as much as they currently spend on three groups: the elderly, the disabled, and pregnant women and children.

The States can fix Medicaid. All that is standing in their way is the 800-pound Federal gorilla. Every Senator who fancies him- or herself a saint for retaining Federal control should keep in mind that the current program only reaches half the eligible population. Every Senator who is so ready to show compassion by borrowing money from future generations to pay for an out-of-control program should for once try to show compassion for those kids whose futures they are bankrupting. Every Senator who is ready to take a noble stand against evil State control should keep in mind that the States, when they have been given limited control over Medicaid, have been able to provide better service to more people at less cost.

Our colleagues may well be sincere in their convictions, but if they succeed in blocking the Medicaid reform proposals in this bill the result will be needless misery for millions of Americans who will find little comfort in our colleagues' sincerity. Now is not the time for timid solutions. Real reform is needed. The Graham motion must therefore be defeated.

**Those opposing** the motion to table contended:

Forty percent of all the money that States receive from the Federal Government is for the Medicaid program. Medicaid is the

OCTOBER 26, 1995

VOTE NO. 502

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health care safety net for America, and it is a program that works well. However, this bill will tear that net apart into 50 little underfunded pieces by making it a block grant program. Further, the block grant program will lock into place current funding inequities between the States. When this Medicaid prescription for disaster is fully implemented, 900,000 senior citizens in nursing homes, 18 million poor children, and 6 million disabled Americans will be denied needed medical treatment. We think an appropriate title for the Republican's Medicaid plan is "The Sick Child and Dead Senior Citizen Act of 1995."

Our Republican colleagues want us to cut the rate of growth per capita in the Medicaid program to 1.4 percent, even though its projected growth rate is 7 percent. They tell us that no one will be hurt because the States will absorb the cut through administrative savings when they are given control over the program. We doubt it. The three reasons why the Medicaid program is growing have nothing to do with Federal Administration. Those 3 reasons are that the program has become better at reaching people in need, that the population of needy elderly has grown as life spans have lengthened, and that the number of children who are not covered by private insurance has increased, making them have to rely on Medicaid. These factors obviously have nothing to do with oppressive Federal regulations.

When States are given control over Medicaid with a huge reduction in funding they will of course cut services. Senators may doubt it, but we need only look at the shocking treatment that States allowed to be given to senior citizens in nursing homes before Congress passed Federal regulations on that subject in 1987. Further, if States are simply given a block grant to distribute, the groups that rely on Medicaid--the elderly, children, their mothers, and the disabled--will be pitted against each other in a scramble for scarce resources.

The Graham amendment proposes a much more sensible solution than the Republican solution. Instead of making a draconian cut based on nothing more than a desire for savings to balance the budget, it would demand a 1 percent reduction in spending using a per capita cap. Everyone would have the same entitlement, so the beneficiaries would not have to fight for funding. With a 1 percent reduction, economies would have to be sought and achieved, but in an orderly and reasoned fashion. Also, current formula inequities would not be locked permanently into law by block grants. Finally, the Graham amendment would not block existing waiver authority from Federal requirements that States can use to try innovative approaches to providing Medicaid services.

There is nothing new about the proposals in the Graham amendment. In fact, they are basically the more modest reforms that have been attempted by Republicans in years past when Democrats controlled Congress. Unfortunately, Democrats did not accept these reforms then, but they are willing to consider them now. We hope our Republican colleagues will reexamine these old ideas of theirs, and accept them as preferable to the cruel Medicaid cuts that are in this bill.